RECENT IMPORTANT DECISIONS.

BANKRUPTCY—SURETY'S RIGHTS TO SUBROGATION—PREFERRED CLAIM.—A bankrupt put in a bid for furnishing certain boilers for the United States, giving a bond for the faithful performance of his contract, with complainant as surety. Upon default being made by the bankrupt, the Government recovered judgment against the surety on the bond. The surety then filed its claim against the bankrupt's estate, claiming to have been subrogated to the rights of the United States as a preferred creditor, under Rev. St. §§3466, 3468 (U. S. Comp. St. 1901, p. 2314), which provide that "whenever any person indebted to the United States is insolvent, the debts due the United States shall be first satisfied," and that a surety paying his principal's debt on a bond like the one in question shall be subrogated to the rights of the United States as a preferred creditor. The trustee in bankruptcy contended that under Bankruptcy Act, 1898, c. 541, §64, 30 Stat. 663 (U. S. Comp. St. 1901, p. 3447), such a preference could not be allowed. *Held,* that §64 of the Bankruptcy Act did not lessen petitioner's rights under Rev. St. §§3466, 3468, and that the claim was properly preferred. *Title Guaranty & Surety Co.* v. *Guarantee Title & Trust Co.* (1909), — C. C. A., 3rd Cir. —, 174 Fed. 385.

Although §64 of the Bankruptcy Act clearly fails to authorize such a preference, since petitioner's claim is not a "tax," still, it is a fundamental rule of statutory construction that legislative enactments do not apply to sovereign bodies unless they are clearly intended. *U. S.* v. *Herron,* 20 Wall. 251, 22 L. Ed. 275. Hence, it seems clear that the Bankruptcy Act was not intended to repeal §§3466, 3468 supra. The decision accords with the view of text writers as to the probable construction of the two sections when taken together. COLLIER, BANKRUPTCY, Ed. 7, p. 728.

BILLS AND NOTES—NEGOTIABILITY—EFFECT OF WORDS "NOT TRANSFERABLE" ADDED TO NEGOTIABLE NOTE.—Plaintiff, a holder in due course, brings suit to recover the amount of a promissory note. In the lower left hand corner of the note, was the abbreviation "No" followed by a blank space an inch long, then the word "Due" with another blank space. The letter "t" was added to the abbreviation "No" and in a somewhat smaller and contracted hand the word "transferable" was written in the remainder of the short blank space. *Held* (KELLOGG and SEWELL, JJ., dissenting), that the note was non-negotiable and there could be no recovery on the same. *Tanner's National Bank of Catskill v. Lacs, et al.,* (1909), 120 N. Y. Supp. 669.

The majority of the court held that the plaintiff was charged with notice of the character of the note, and while the words "not transferable," as written might deceive some men, still the defendants were guilty of no fraud, or negligence in making, indorsing ar delivering the note. The minority, however, contended that when the defendants elected to issue their note in negotiable form and then put upon the paper, in an unusual unexpected place, a notice that it was not transferable, they took the chance whether what they